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INTERNATIONAL SECURITIES MARKET

Abstract: *Today, the process of functioning of organizations in a market economy is provided by the movement of financial resources. The processes of formation and use of these resources are largely associated with the conduct of active and passive operations in the securities market*

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Introduction

A security is a monetary document that testifies to the ownership of its owner for a certain amount of money or specific property values.

The emergence of securities as a special object of property turnover is associated with the historical period when people, having received the need to move large amounts of goods and money, faced the lack of an economically justified method of such movement.

The solution was found by lawyers who already in the VI - V centuries BC guessed to turn the documents themselves, certifying specific transactions, into a special kind of product, a special system of values that do not coincide with goods in the proper sense of the word, or with money. As long as transaction documents were executed on clay and wax tablets, papyrus, or parchment, they were not widely distributed.

In the VI century ad, paper was invented in China, and in the IX - X centuries. the recipe for its production was entered in Western Europe. It was there, in the conditions of natural economy and feudal fragmentation, which are extremely far from market economy, that paper documents on specific transactions received universal recognition and distribution as special objects of economic turnover.

Securities (CB) are shares, bonds, promissory notes and other certificates of property rights (rights to resources) that have been separated from their basis and are recognized as such by law.

Each type of property (resources) can correspond to its own securities, which in turn can be owned, bought and sold, pledged, etc.

The international loan capital market (international financial market), being a reflection of the real reproduction process on a global scale, at the same time lives a relatively independent life, subject to its own special laws. It has a huge reverse effect on production processes, both at the national and global economic levels.

The international loan capital market emerged at the turn of the 50s-60s of this century. By the end of the 1980s, the total amount of net borrowing at the international level had already reached 14% of the total amount of net borrowing in all financial markets of the world combined. At the same time, the current stage of development of the international financial market is characterized by an increasing role and importance of the securities market. The securities market is an integral and relatively firmly isolated part of the loan capital market. Together with the market for medium-and long-term Bank loans, it forms the capital market (its financial part). Securities are a special area of investment of loan capital, although they themselves are not such.[1;23]

The securities market, like any other market, is a system of economic relations about buying and selling, where supply and demand collide, and the price is determined. The size of the market, as we know, is directly related to the degree of specialization of social labor. This fully corresponds to the securities market, which is also developing due to the growing specialization of issuers and investors, i.e. sellers and buyers of the commodity "security". On the one hand, the number of issuers that issue securities is growing; on the other hand, their types are becoming more differentiated, the scale of their circulation is increasing, and the range of investors is expanding.[2;11]

The securities market consists directly of primary and secondary markets.

In the primary market, government and municipal bonds are issued, as well as shares and bonds issued by various joint-stock companies of both financial and non-financial profiles. Direct investors in the primary securities market are commercial and investment banks, exchange-traded firms themselves, insurance companies, pension funds, non-financial corporations (institutional investors) and individuals (individual investors) who purchase shares and bonds directly or through exchange-traded firms and investment banks. The secondary securities market is a non-centralized or centralized (stock exchange) purchase and sale of issued securities. The existence of a non-centralized securities market does not mean the element of trading them. Small joint-stock companies usually place their securities among a small circle of well-known individuals. The vast majority of medium-sized and large corporations that do not list their securities on stock exchanges, most often resort to the help of broker-dealer firms of commercial banks that trade securities, using modern communication systems.

In developed market economies, the scale of bond issuance is much larger than that of equity issuance. This is due to two main reasons: first, the issuers of shares are only corporations, and the issuers of bonds-not only they, but also the state, municipalities, and various non-corporate institutions; second, for the corporations themselves, the issue of bonds, other things being equal, is more profitable, because it is cheaper and gives a faster placement among investors, without increasing the number of shareholders.

Securities have one characteristic feature that makes them different from other types of loan capital placement: it is reversibility, i.e. the ability for the holder to convert them into money at any time. The possibility of reversibility of securities depends crucially on the liquidity of the market in which they are objects of purchase and sale.[3]

This liquidity is higher the higher the security turns around, the more acts of purchase and sale are made with it.

The characteristic features of the securities market and the security itself as an object of transactions in this market, discussed above, are also manifested in the international securities market, but with some features. The international securities market is primarily a primary market. Secondary this market has not yet been adequately developed. Therefore, the "international securities market" refers to the issue of the latter, expressed in so-called Euro-currencies and carried out by issuers outside the framework of any national regulation of issues. More broadly, the international securities market is considered as a combination of international issues and foreign issues, i.e. the issue of securities by foreign issuers on the national market of other countries. Currently, the international securities market includes both the stock market and the bond market.

Issues of international shares began on a somewhat noticeable scale only from the mid-80s, while bond issues - from the mid-60s and in terms of value so far exceed the first 9-10 times. It is bonds that are now the main and predominant type of security issued at the international level.[4;7]

The international bond market can be represented, with a certain degree of conditionality, as a combination of two secrets: the foreign bond market and the international bond market itself - the so-called Eurobond market ("Eurobonds"). The foreign bond market is a market of securities issued by foreign borrowers through banking consortia on national bond markets in order to raise capital primarily from local investors. Foreign bond markets flourished in the first two decades of the twentieth century, and then their role fell sharply, but since the 60s began to grow again. International bonds ("Eurobonds") are issued by borrowers through international banking consortia and are denominated in Euro currencies.

Most foreign bond issues are almost concentrated on the national markets of only four countries - the United States, Germany, Switzerland and Japan. Until the early 70s, there was an undisputed superiority of the American capital market. For example, in 1963-1970, almost 2/3 of all foreign bond loans were issued on this market.

However, since the 70s, the situation has changed and an increasing part of the issues is carried out on the European and Japanese securities markets.

Although the us bond market is the broadest and largest in the world in terms of both the amount of borrowing and the duration of capital lending, its participation in international transactions is generally insignificant. Over the past decade, foreign bond issuance has accounted for just over 8.5% of national corporate bond issuance. For a long time, most of the borrowers in the Yankibonds market - this is the name given to the US foreign bond market - were represented by States and government organizations (with the exception of Canada, where private corporations also acted as borrowers). Development banks - the World Bank, the inter-

American development Bank, the Asian development Bank, etc. - are also very frequent and quite large buyers in this market. The total amount of capital that lenders placed through the Yankibonds market increased from $ 1 billion in 1973 to $ 10.6 billion in 1976, an undertaking by 1980. it fell and remained at the level of 4.5-10 billion dollars of emissions per year throughout the 1980s.[5;56]

The foreign bond market in the United States is attractive to international borrowers primarily by large loan sizes: on average, $ 100 million, with the largest reaching $ 300 million. and higher, as well as a significant duration. The longest loans were granted for up to 30 years, which is much longer than in Western Europe. The cost of emissions is about 1%, i.e. about half of the cost in the dollar Eurobond market, about a third of the cost in the West German mark bond market, and only a quarter of the cost in the foreign Swiss franc bond market. The interest rate on foreign bonds is usually slightly higher than for first-class domestic borrowers, but the little-known borrower must pay, of course, at a much higher rate, significantly higher than the rate of the domestic first-class borrower,which in the second half of the 80's fluctuated in the range of 9-9.7%.[6;3]

Another center for issuing foreign bonds is Germany. For the first time, the issue of foreign bonds in Germany began in 1959 with the introduction of convertibility of the West German mark.

In principle, there are no restrictions on foreign emissions. However, for each month, the six main issuing banks of Germany, together with representatives of the Bundesbank, set a kind of calendar plan for new issues. Although statistics record separately issues of foreign bonds and Eurobonds denominated in German marks, in reality the difference between them is very small: Eurobond issues are carried out by international consortia, and foreign issues in German marks - by consortia consisting only of German commercial banks.

Both types of bonds are issued to bearer and are legally denominated in 1,000 Deutsche marks each, with interest not subject to income tax. In both cases, there are no restrictions on the sale of these bonds to non-residents.[7;34]

Bonds are issued for various terms: from 5 to 15 years. German government regulation restricted the ability of non-residents of Germany to own German assets.

The purchase of foreign and international bonds issued by German banks was previously one of the ways in which non-residents of this country could acquire German financial assets.therefore; the majority of international bonds issued in German marks belong to foreigners. It is obviously no coincidence that the Bank for international settlements (BIS) in recent years has begun to classify all international bonds denominated in German marks as foreign bonds, although the OECD monthly Bulletin financial statistics manzli has just as emphatically begun to classify all of them as Eurobonds.

One of the world's most important centers of foreign bond issues is Switzerland, which accounts for more than half of the total amount of these issues. In some years, exports of capital in Swiss francs, including private placements and Bank loans, exceeded 10% of the country's gross national product. This, of course, does not mean that Switzerland exported capital in excess of 10% of its GNP. The point is different: huge amounts of international capital are re-exported through this country, and this re-export is carried out very quickly. Little Switzerland has been ranked fourth in terms of its annual new investment in securities abroad in recent years, behind only Japan, Germany and the UK. There is no other country that, according to the balance of payments data, has such a favorable ratio of interest and dividends received from abroad and paid abroad.

In Switzerland, it averaged 2.5:1 in the eighties, while in Germany it was 1.4:1, and in Japan it was 1.3:1.[8;9]

Foreign bonds in Swiss francs are issued publicly through a banking consortium and are usually issued in high denominations and for substantial amounts. A loan that can be issued in any quarter of the year must be authorized by the currency authorities. Emissive costs are relatively high compared to the usual level of costs for Eurobond issues and foreign bond issues in other markets (such as new York). Borrowers on the foreign bond market in Switzerland are usually only international institutions, foreign countries and major corporations. Issues are made by banking consortia on the stock exchanges of Basel and Zurich. Interest on foreign bonds is exempt from Swiss income tax. Unlike the foreign bond market in Germany, the Swiss market is subject to state regulation: prospectuses must be approved by the national Bank of Switzerland, and the issues themselves, if they exceed the equivalent of us $ 10 million, require special permission from the authorities.

The Japanese bond capital market is still lagging behind markets in other countries in terms of internationalization and liberalization. However, since the late 70s, there has been a trend towards a significant increase in these processes in the Japanese market, due to a number of factors and, in particular, the extraordinary expansion of exports of Japanese capital; the growing use of the yen as a reserve currency by Central banks in many countries; the use of the yen by international investors attracted by the strengthening position of securities in the capital markets and the relative strength of the yen compared to other currencies. As a result, non-Japanese borrowers began to borrow capital in yen terms rather rapidly. The volume of foreign bonds in yen is now growing in amounts comparable to those recorded in the foreign bond markets in the traditional centers of their issuance.

The Japanese (Tokyo) bond capital market issues to foreign borrowers in two main ways: by issuing traditional or classic foreign bonds. The Eurobonds market appeared in 1963 and has been a source of increasing financial resources for corporations and governments in many countries since 1964.

At the same time, throughout the second half of the 60s and early 70s, the leading borrowers in the market of "Eurobonds" were us corporations, which accounted for from 1/4 to 3/5 of the total amount of issues. A significant part of the borrowed capital was used by American companies to Finance the growth of direct investment, mainly in Western Europe. However, in the following years, the share of American issuers began to decline, and currently the leading issuers on the Eurobonds market are corporations and financial institutions in Japan and a number of Western European countries. The Eurobonds market is a market of preferred borrowers, where the most reliable borrowers from economically highly developed countries are admitted. Developing countries, as unreliable debtors, have very limited access to this market.

In the international bond market, as well as in national markets, banks and brokerage firms act as intermediaries linking investors and borrowers. But this role is played not by individual institutions, but by groups-consortia that are formed at the time of the issue. They are headed by the world's most famous commercial and investment (trade) banks. And usually the leader is the Bank in the currency of the country where the issue occurs (with the exception of dollar issues). Banks participate in international issues not as intermediaries claiming commissions, but as direct guarantors of issues. For this purpose, the international banking consortium. The question of the degree of yield on the international bond market is very important. Here, there is a fairly clear trend of interest rates depending on the stability of the currency, i.e. on the risk of a fall in its exchange rate. The greater the risk, the higher the percentage. Thus, Euro-denominated bonds for a period of five years during l988-1990. they were issued at a rate of 12.1-14.4%, Eurodollar bonds-8.6-9.8, foreign bonds in Germany-7.0-8.5,and Euro-denominated bonds with a rate of 6.0-7.5%.[9]

The total amount of income received from international bonds is known from a study conducted by the Orion international banking group, which covers data on the movement of bond loans issued during 1963-1977. The total amount of capital in dollars invested in Eurobonds during this period was 45.2 billion rubles. Of these, 21.3 billion. it was returned until 1982 due to payments on the main debt. Thus, the repayment was 45% of the issue amount. However, during this period, $ 23.5 billion was paid in interest.

Consequently, having invested $ 45 billion in capital, the owners of Eurobonds received a revenue of $ 23.5 billion over 15 years, which is evidence of high profitability. Of course, at present, due to changes in the very conditions of the international market, many things should change, but the conclusion of investors about a fairly high degree of yield on international bonds is obviously unambiguous. Despite almost thirty years of operation, the Eurobonds market remains largely unclear, primarily in terms of the source of incoming loan capital.

There are different assessments of the nature of investors in the Eurobonds market. Most of them agree that this securities market is dominated by institutional investors. Only very large individual investors representing significant capital can compete to some extent with institutional investors in carrying out international capital movements, establishing links with issuing banking syndicates, obtaining correct information about the movement of bond prices, etc.[10;21]

Although the exact nature of investors is unknown, it is generally assumed that at least a significant portion of them are clients of European banks. This group includes institutional investors such as insurance companies, pension funds, and individual investors from countries with unstable currencies. Eurobonds are also purchased by petrodollar investors from the Middle East. Investors from the United States are not included in this group, at least in the group of initial investors, because purchases of unregulated securities for American residents are prohibited by the decision of the securities and stock exchange Commission. But since this prohibition does not apply to the purchase of such securities on the secondary market, American investors can usually purchase Eurobonds 90 days after their initial offer. In recent years, the role of Japanese investors, especially institutional investors, has increased significantly. A curious situation has emerged: Japanese financial institutions act as issuers, intermediaries, and investors on the international market.

CONCLUSION.

At present, it is already possible to state with good reason that a market economy cannot exist without a developed turnover of securities. To prove this statement, it is enough that the growth or mass fall in the value of securities clearly and fully indicates the true economic situation in the country. It is also worth mentioning that securities perform a number of socially significant functions.

1. redistribute money (capital) between sectors and spheres of the economy; territories and countries; groups and strata of the population; the population and spheres of the economy; the population and the state;

2. grant certain additional rights to its owners in addition to the right to capital (for example, the right to participate in management, relevant information, priority in certain situations);

3. provide income on capital and (or) return of the capital itself;

4. enterprises and organizations use securities as a source of investment (creation of new firms, development of existing ones), which has certain advantages over credit;

So, a security is a form of existence of capital, different from its commodity, productive and monetary forms, which can be transferred instead of itself, traded on the market as a commodity and generate income. I.e., a security serves as an object of sale, exchange, collateral or a means of payment. Through the exchange rate of securities, investors determine the economic feasibility of capital investment. Therefore, it is no accident that securities of reliable promising corporations are usually in high demand.

"The only difference between the securities market and the market of any other commodity is the fact that it serves to form monetary capital, which may then be used to invest in the production of a real commodity or to increase the initial capital."

The securities market in Uzbekistan is at the initial stage of formation. Basically, it has developed as an over-the-counter market. Shares of privatized enterprises are sold on the market. There are no shares as such, there is an extract from the population of the country. In the resulting spontaneous market, the rules of trade, requirements for transactions, and securities were established on the principle of "pushing".

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